CORRECTED
FISCAL NOTE

HB 1966 - SB 2032

April 7, 2011

SUMMARY OF BILL: Requires the Tennessee Higher Education Commission (THEC) to create a common student application and a common financial aid application to be used by all public universities, colleges, and technology centers. These applications will be implemented in the 2012-2013 academic year.

ESTIMATED FISCAL IMPACT:

On March 1, 2011, a fiscal note was issued estimating a fiscal impact as follows:

NOT SIGNIFICANT

Due to a misunderstanding by the Tennessee Higher Education Commission (THEC) of services available through their current XAP contract, this impact is in error. Based upon additional information provided by THEC on costs related to implementing the provisions of the bill through the XAP contract, the estimated fiscal impact is:

(CORRECTED)

Increase State Expenditure - $720,500/One-Time
$564,000/Recurring

Assumptions:

- Four meetings will take place to establish a common student application between the provosts of all UT and TBR universities or community colleges (22), two UT staff members, and two TBR staff members. Travel and per diem will be $209 for travel and lodging. Cost per meeting will be $5,434 ($209 x 26 people); a total of $21,736 ($5,434 x 4).
- Four meetings will take place between financial aid officers to create a common financial aid application from 22 UT and TBR universities or community colleges, two UT staff members, and two TBR staff members. Travel and per diem will be $209 for travel and lodging. Cost per meeting will be $5,434 ($209 x 26 people); a total of $21,736 ($5,434 x 4).
- The one-time increase in state expenditures for meetings will be $43,472 ($21,736 x 2).
- To create a common financial aid application, an electronic data bridge will be built for 22 institutions to create a link between XAP's application and the electronic systems of

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each institution. This cost is estimated by XAP to be $10,000 per institution in one-time expenditures, a total of $220,000 (22 institutions x $10,000). The vendor will charge an annual maintenance fee of $6,000 per institution, a total of $132,000 ($6,000 x 22 institutions).

- A second data bridge will be built for the creation of a common student admissions application at a cost of $10,000 per institution. The increase in one-time state expenditures will be $220,000 ($10,000 x 22 institutions). An annual maintenance fee of $6,000 per institution will also be charged for this data bridge; a total of $132,000 ($6,000 x 22 institutions).
- To create a single financial aid application and make it available on the current CollegeforTN.com web portal, THEC estimates that a one-time increase in state expenditures of $30,000 and a cost of $3.00 per application thereafter for processing. THEC estimates that 100,000 out of 275,000 enrolled students receive financial aid. The recurring increase in state expenditures will be $300,000 ($3.00 x 100,000 students).
- To create a single application for all Tennessee Student Assistance Corporation (TSAC) administered programs, XAP estimates that the cost will be $207,000 in one-time state expenditures.
- The increase in one-time state expenditures will be $720,472 ($43,472 meeting costs + $220,000 data bridge + $220,000 data bridge + $30,000 financial aid application + $207,000 TSAC).
- The increase in recurring state expenditures will be $564,000 ($300,000 application processing fees + $132,000 data bridge maintenance + $132,000 data bridge maintenance).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

James W. White, Executive Director

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